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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

TOM FORESE - Chairman
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ANDY TOBIN
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AZ CORP COMMISSION
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Arizona Corporation Commission

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In the matter of:

Ryan Miguel (CRD # 4581157) aka Ryan Miguel Pina aka Ryan Lee Oliver, a single man,

Robert Eric Hawkins, a single man, and

Infinity Fuels, Inc., a Nevada corporation,

Respondents.

DOCKET NO. S-20987A-16-0351

AMENDED NOTICE OF OPPORTUNITY
FOR HEARING REGARDING PROPOSED
ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES, ORDER OF
REVOCATION AND ORDER FOR OTHER
AFFIRMATIVE ACTION

NOTICE: EACH RESPONDENT HAS 10 DAYS TO REQUEST A HEARING
EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Ryan Miguel (CRD # 4581157) aka Ryan Miguel Pina aka Ryan Lee Oliver, Robert Eric Hawkins, and Infinity Fuels, Inc. have engaged in acts, practices, and transactions that constitute violations of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act").

The Division also alleges that Ryan Miguel and Robert Eric Hawkins were persons controlling Infinity Fuels, Inc. within the meaning of A.R.S. § 44-1999(B), so that they are jointly and severally liable under A.R.S. § 44-1999(B) to the same extent as Infinity Fuels, Inc. for its violations of the antifraud provisions of the Securities Act.

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I.**JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.**RESPONDENTS**

2. Ryan Miguel aka Ryan Miguel Pina aka Ryan Lee Oliver ("Miguel") has been registered as a securities salesman by the Commission (CRD # 4581157) since March 28, 2012. Miguel was also registered as a securities salesman by the Commission from February 2005 until November 2008.

3. Miguel is not currently registered with FINRA, and his registration with the Commission has lapsed because he is not currently associated with a registered dealer. Miguel was most recently associated with Merrill Lynch, Pierce, Fenner & Smith Incorporated until August 5, 2015, when he voluntarily terminated from that registered dealer.

4. Under A.R.S. § 44-1963(D), Miguel continues to be subject to the Commission's jurisdiction for two years after the lapse of his registration for the purpose of denying, suspending or revoking his registration in connection with conduct that began before the lapse of his registration.

5. Since July 18, 2005, Miguel has also been a licensed Arizona insurance producer (AZ License # 205041).

6. Upon information and belief, Miguel has been a single, unmarried man since 2005.

7. Respondent Robert Eric Hawkins ("Hawkins") has been a licensed Arizona insurance producer (AZ License # 913032) since February 20, 2008. Upon information and belief, Hawkins has been a single, unmarried man since that time.

8. Hawkins has not been registered by the Commission as a securities salesman or dealer.

1 9. Infinity Fuels, Inc. ("Infinity") is a Nevada corporation that was incorporated on
2 December 18, 2006.

3 10. Hawkins was Infinity's President, Secretary, Treasurer and Director.

4 11. According to an Executive Summary Hawkins provided to an investor, Miguel
5 was Infinity's Chief Development Officer and a member of Infinity's Board of Directors.

6 12. According to the records of the Nevada Secretary of State, Infinity's business
7 license expired on December 31, 2010, and its corporate status has been revoked.

8 13. Infinity has not applied to the Commission to do business as a foreign business
9 entity in Arizona and therefore is not authorized to do any business in Arizona.

10 14. Miguel, Hawkins and Infinity may be referred to collectively as "Respondents."

11 **III.**

12 **FACTS**

13 **Investor LH's \$20,000 Loss Investing with Respondents**

14 15. In August 2009, Hawkins solicited an insurance client and Arizona resident ("LH"),
15 to whom Hawkins had sold an annuity, to invest \$20,000.00 in Infinity.

16 16. Hawkins told LH that Infinity was a startup company that had a clean fuels
17 technology to turn waste into energy.

18 17. Hawkins provided LH with an Executive Summary that described Infinity as "a
19 clean technology company delivering the world's most cost-effective waste-to-fuel production
20 system to the U.S. marketplace. Infinity Fuels offers corporations and municipalities a way to
21 profit by converting their waste into high-quality bio-diesel, bio-gasoline, bio-kerosene, bio-jet
22 fuels, naphtha and ethanol."

23 18. The Executive Summary continued: "We produce ecological fuels with low sulfur
24 and carbon dioxide content, resulting in significant reduction in hazardous emissions without the
25 need of additives."
26

1 19. The Executive Summary stated that as the Chairman of the Board of Directors and
2 CEO of Infinity, Hawkins “brings considerable experience in financial management, strategy
3 market strategy and entrepreneurial ventures to Infinity Fuels.... As a partner with a private
4 international asset management company, Mr. Hawkins successfully engaged in the strategic
5 development of profitable companies in ... precious metals mining, export and refining throughout
6 Europe and Africa.”

7 20. The Executive Summary failed to disclose: (i) in 1998, Hawkins filed a personal
8 Chapter 7 bankruptcy; and (ii) in 2006, the Internal Revenue Service assessed Hawkins with
9 \$12,894 in unpaid taxes from 2002.

10 21. With respect to Miguel, the Executive Summary stated: “Mr. Miguel serves as
11 Chief Development Officer of Infinity Fuels, Inc. and also serves on the company’s board of
12 directors. Mr. Miguel brings over 25 years of success in business development, management and
13 sophisticated transactions to Infinity Fuels. Mr. Miguel’s ability to achieve bottom-line results in
14 complex and fast-moving business environments makes him a vital player on the Infinity Fuels
15 team.”

16 22. The Executive Summary failed to disclose that on July 19, 2009, Miguel filed a
17 personal Chapter 7 bankruptcy.

18 23. LH decided to invest \$20,000.00 through a limited liability company LH owned.

19 24. On August 20, 2009, LH, on behalf of his limited liability company, and Hawkins,
20 on behalf of Infinity, signed a Capital Investment Agreement (“Agreement”).

21 25. The Agreement provided for LH to invest \$20,000.00 in Infinity through LH’s
22 limited liability company. In exchange, Infinity agreed to pay guaranteed interest of fifteen percent
23 (15%) annually on the \$20,000.00 investment amount.

24 26. The Agreement promised a “guarantee of full return of the principal amount
25 invested on month 24....”
26

1 27. The Agreement provided that Infinity's "President, Vice-President and
2 Secretary/Treasurer, as the Principals, shall retain the operational control and management" of
3 Infinity.

4 28. LH funded his \$20,000.00 investment in Infinity with checks from his limited
5 liability's bank account in the amount of \$8,000.00 on August 20, 2009, and \$12,000.00 on
6 September 23, 2009.

7 29. When Hawkins and Infinity sold LH his investment in Infinity, they failed to
8 disclose to him:

9 a) In 1998, Hawkins filed a personal Chapter 7 bankruptcy;

10 b) In 2006 the Internal Revenue Service assessed Hawkins with \$12,894 in
11 unpaid taxes from 2002; and

12 c) Miguel, whose purported business acumen made him "a vital player on the
13 Infinity Fuels team" according to the Executive Summary Hawkins gave LH, filed a Chapter 7
14 Bankruptcy petition on July 31, 2009.

15 30. Respondents did not pay LH or his limited liability company any of the promised
16 interest.

17 31. LH has not received any return of his \$20,000.00 investment.

18 32. On February 8, 2016, LH wrote to Hawkins and Miguel to demand an explanation
19 and the return of his investment.

20 33. On March 10, 2016, Hawkins wrote back to LH. In that letter, Hawkins
21 acknowledged his "gross neglect of our relationship." Hawkins continued, "I can never expect
22 your forgiveness for my actions, and quite honestly I would be livid myself."

23 34. Hawkins did not return any of LH's \$20,000.00 investment, however.

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Investor TM's \$20,295 Loss Investing with Respondents

35. In approximately November 2009, Miguel began calling one of his insurance clients ("TM") and representing that he had found an investment opportunity for TM. TM agreed to meet and discuss the investment opportunity.

36. On January 28, 2010, Miguel and Hawkins met with TM in his home in Sun City, Arizona.

37. Miguel and Hawkins asked TM to invest in Infinity, which they said was involved in waste to fuel refinery development.

38. Hawkins told TM Infinity would repay his investment within thirty-six (36) to sixty (60) months.

39. In addition, Hawkins said TM would be guaranteed to receive ten percent (10%) interest annually on his investment from Infinity.

40. TM decided to invest. TM wrote a check payable to Infinity for \$20,295.00.

41. In addition, TM and Hawkins, as Infinity's President, signed a Capital Investment Agreement similar to the one between Infinity and LH. Miguel signed the Agreement as a witness.

42. The Agreement stated that Infinity sought "funds for investment in operational and start-up costs associated with waste to fuel refinery development throughout the U.S."

43. The Agreement stated TM was "participat[ing] by investing capital as a guaranteed return of principal loan," and that his investment "is for a maximum time period of the next 60 months...."

44. The Agreement promised a "guarantee of full return of the principal amount invested no sooner than the 36 month anniversary of this document ... and a period not to exceed 60 months."

45. The Agreement provided TM would receive "[a]n annual fixed, non-compounding interest rate of 10%," and that the interest rate was "guaranteed."

46. The Agreement further provided that Infinity's "President, CEO and Secretary/Treasurer ... shall retain the operational control and management...."

47. When they sold TM his investment in Infinity, Miguel and Hawkins failed to disclose to him:

a) In 1998, Hawkins filed a personal Chapter 7 bankruptcy;

b) In 2006 the Internal Revenue Service assessed Hawkins with \$12,894 in unpaid taxes from 2002; and

c) Miguel filed a Chapter 7 Bankruptcy petition on July 31, 2009; and

d) Miguel's registration as a securities salesman with the Commission had lapsed because he was not associated with a registered dealer.

48. TM has not received any interest payments or any return of his \$20,295.00 investment from Miguel, Hawkins or Infinity.

49. In January 2016, TM wrote to Hawkins and Miguel to demand the return of his investment, a complete accounting and all financial records of Infinity.

50. Hawkins responded by informing TM that Infinity dissolved in 2011 and denied any wrongdoing.

51. Hawkins did not return any of TM's \$20,295.00 or provide the accounting and financial records TM demanded.

52. Hawkins asserted, "I have ZERO assets, just barely surviving month to month and still dependent on family for support." He urged TM not to "try[] to squeeze water from a stone."

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer or Sale of Unregistered Securities)

53. From on or about August 20, 2009, Hawkins and Infinity offered or sold securities in the form of notes, investment contracts, certificates of interest or participation in a profit-sharing agreement, and/or evidences of indebtedness, within or from Arizona.

54. From on or about January 28, 2010, Miguel offered or sold securities in the form of a note, an investment contract, certificate of interest or participation in a profit-sharing agreement, and/or evidence of indebtedness, within or from Arizona.

55. The securities referred to above were not registered pursuant to Articles 6 or 7 of the Securities Act.

56. This conduct violates A.R.S. § 44-1841.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

57. From on or about August 20, 2009, Hawkins and Infinity offered or sold securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

58. From on or about January 28, 2010, Miguel offered or sold securities within or from Arizona while not registered as a dealer or salesman pursuant to Article 9 of the Securities Act.

59. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

60. In connection with the offer or sale of securities within or from Arizona, Miguel, Hawkins and Infinity directly or indirectly: (i) employed devices, schemes, or artifices to defraud; (ii) made untrue statements of material fact or omitted to state material facts that were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices, or courses of business that operated or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, offering and selling Infinity's securities to Investors One and Two by failing to disclose following facts:

b) In 2006 the Internal Revenue Service assessed Hawkins with \$12,894 in

c) Miguel filed a Chapter 7 Bankruptcy petition on July 31, 2009; and

61. This conduct violates A.R.S. § 44-1991.

CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999

63. From at least August 20, 2009, through at least January 1, 2012, Hawkins directly controlled Infinity within the meaning of A.R.S. § 44-1999. Therefore, Hawkins is and severally liable to the same extent as Infinity for its violations of A.R.S. § 44-1991 at least August 20, 2009, through at least January 1, 2012.

65. From at least August 20, 2009, through at least January 1, 2012, Miguel directly or indirectly controlled Infinity within the meaning of A.R.S. § 44-1999. Therefore, Miguel is jointly and severally liable to the same extent as Infinity for its violations of A.R.S. § 44-1991 from at least August 20, 2009, through at least January 1, 2012.

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VIII.**REMEDIES PURSUANT TO A.R.S. § 44-1962****(Denial, Revocation, or Suspension of Registration of Salesman; Restitution, Penalties, or other Affirmative Action)**

66. Miguel's conduct is grounds to revoke his registration as a securities salesmen with the Commission pursuant to A.R.S. § 44-1962(A)(10). Specifically, Miguel has engaged in dishonest or unethical practices in the securities industry by offering and selling Infinity's Capital Investment Agreement to TM by failing to disclose following facts:

- a) In 1998, Hawkins filed a personal Chapter 7 bankruptcy;
- b) In 2006 the Internal Revenue Service assessed Hawkins with \$12,894 in unpaid taxes from 2002;
- c) Miguel filed a Chapter 7 Bankruptcy petition on July 31, 2009; and
- d) Miguel's registration as a securities salesman with the Commission had lapsed because he was not associated with a registered dealer.

67. Additional grounds exist to revoke Miguel's registration as a securities salesman with the Commission pursuant to A.R.S. § 44-1962(A)(5) because Miguel is not employed by a registered dealer.

68. Miguel's conduct is grounds to assess restitution, penalties, and/or take appropriate affirmative action pursuant to A.R.S. § 44-1962. Specifically, Miguel has engaged in dishonest or unethical practices in the securities industry.

IX.**REQUESTED RELIEF**

The Division requests that the Commission grant the following relief:

1. Order Respondents to permanently cease and desist from violating the Securities Act, pursuant to A.R.S. §§ 44-2032 and 44-1962;

2. Order Respondents to take affirmative action to correct the conditions resulting from Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to A.R.S. §§ 44-2032 and 44-1962;

3. Order Respondents to pay the state of Arizona administrative penalties of up to five thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;

4. Order Miguel to pay the state of Arizona administrative penalties, pursuant to A.R.S. § 44-1962(B);

5. Order the revocation of Miguel's registration as a securities salesmen pursuant to A.R.S. § 44-1962; and

6. Order any other relief that the Commission deems appropriate.

X.

HEARING OPPORTUNITY

Each Respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. R14-4-306.

If a Respondent requests a hearing, the requesting Respondent must also answer this Amended Notice. A request for hearing must be in writing and received by the Commission within 10 business days after service of this Amended Notice of Opportunity for Hearing. The requesting Respondent must deliver or mail the request to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

If a request for a hearing is timely made, the Commission shall schedule the hearing to begin 20 to 60 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. If a request for a hearing is not timely made the Commission may, without a hearing, enter an order granting the relief requested by the Division in this Amended Notice of Opportunity for Hearing.

1 Persons with a disability may request a reasonable accommodation such as a sign language
2 interpreter, as well as request this document in an alternative format, by contacting Shaylin A.
3 Bernal, ADA Coordinator, voice phone number 602/542-3931, e-mail sabernal@azcc.gov.
4 Requests should be made as early as possible to allow time to arrange the accommodation.
5 Additional information about the administrative action procedure may be found at
6 <http://www.azcc.gov/divisions/securities/enforcement/AdministrativeProcedure.asp>

7 XI.

8 ANSWER REQUIREMENT

9 Pursuant to A.A.C. R14-4-305, if a Respondent requests a hearing, the requesting
10 Respondent must deliver or mail an Answer to this Amended Notice of Opportunity for Hearing to
11 Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007,
12 within 30 calendar days after the date of service of this Amended Notice. Filing instructions may
13 be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web
14 site at <http://www.azcc.gov/divisions/hearings/docket.asp>.

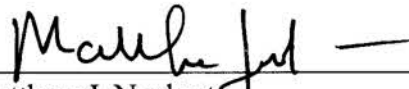
15 Additionally, the answering Respondent must serve the Answer upon the Division.
16 Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-
17 delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix,
18 Arizona, 85007, addressed to James D. Burgess.

19 The Answer shall contain an admission or denial of each allegation in this Amended Notice
20 and the original signature of the answering respondent or respondent's attorney. A statement of a
21 lack of sufficient knowledge or information shall be considered a denial of an allegation. An
22 allegation not denied shall be considered admitted.

23 When the answering Respondent intends in good faith to deny only a part or a qualification
24 of an allegation, the Respondent shall specify that part or qualification of the allegation and shall
25 admit the remainder. An answering Respondent waives any affirmative defense not raised in the
26 Answer.

1 The officer presiding over the hearing may grant relief from the requirement to file an
2 Answer for good cause shown.

3 Dated this 1 day of March, 2017.

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6 Matthew J. Neubert
7 Director of Securities
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